

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

U-15054

5. Lease Designation and Serial No.

N/A

6. If Indian, Allottee or Tribe Name

N/A

7. Unit Agreement Name

GOVT.

8. Farm or Lease Name

STALEY

S & M 4-1

9. Well No.

4-1

10. Field and Pool, or Wildcat

GREATER CISCO

11. Sec., T., R., M., or Blk.
and Survey or Area

Sec 4, T 20 S R 24 E.

12. County or Parrish 13. State

GRAND, UTAH

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil
Well ☒Gas
Well ☐

Other

Single
Zone ☐Multiple
Zone ☐

2. Name of Operator

S & M PRODUCTION

3. Address of Operator

PO BOX 2165 FARMINGTON, NEW MEXICO, 87499

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

735 from north & 663 from east line

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*

8 miles north east of Cisco, Utah

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drlg. line, if any)

663 feet

16. No. of acres in lease

17. No. of acres assigned
to this well

40

18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.

1320

19. Proposed depth

20. Rotary or cable tools

ROTARY

21. Elevations (Show whether DF, RT, GR, etc.)

4591 GR.

22. Approx. date work will start*

MARCH 4, 1991

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
11	7/ 5/8	32	180	40
1500	4 1/2	10	1500	65

3-1-91

8:00 ~~no answer~~
left message on
machine.

3-4-91

10:05 AM no answer him #
left message w/ mom
Kucal at wk #RECEIVED
FEB 25 1991DIVISION OF
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

Galen Helmke

Title

agent, S&M production

Date

Feb. 12 1991

(This space for Federal or State office use)

Permit No.

Approval Date

Approved by

Title

Date

Conditions of approval, if any:

Galen Helmke, agent for S M production.

739 27 Road Grand Junction, Co. Ph 303 -242 0581 Home
(81506) Ph 303 -241 4213 Office

I think that this location was approved several years ago,
but I do not have the information. ???

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FEB 25 1991

DIVISION OF
OIL, GAS & MINING

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF ADOPTING AMEND-
MENTS TO FIELD RULE 1-2 AND 2-2, }
CAUSE NO. 2, NO. 102-5, AND NO. }
102-16, WHICH RULES ESTABLISHED }
WILDCAT WELL SPACING FOR THE }
SEIBER-CISCO NOSE AREA, GRAND }
COUNTY, UTAH }

FINDINGS AND ORDER

CAUSE NO. 102-168

This cause came on for hearing before the Board of Oil, Gas and Mining at 10:00 a.m. on Wednesday, September 26, 1979, in the executive Conference Room, Holiday Inn, 1659 West North Temple, Salt Lake City, Utah.

The following Board Members were present:

Charles R. Henderson, Chairman

John L. Bell, Member

Edward T. Beck, Member

Thadis W. Box, Member

Constance K. Lundberg, Member

C. Ray Juvelin, Member

E. Steele McIntyre, Member

Appearances were made as follows:

James Bowers

Damon Gilland

Dean Christensen

Don Quigley

NOW, THEREFORE, the Board having heard the testimony of the witnesses and having considered the evidence and being advised in the premises, now makes and orders the following:

FINDINGS

1. That due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law.

2. That the Board has jurisdiction over the matter covered by said application and over all parties interested therein and has jurisdiction to make and promulgate the order hereinafter set forth.

3. That the Dakota, Morrison and Cedar Mountain Formations underly the area under consideration.

4. That the sands of the Dakota, Morrison and Cedar Mountain Formations are lenticular in nature.

102-168

5. That most, if not all, of the operators in the area are of the opinion that it is not economically feasible to drill wells on the 40 acre or 640 acre wildcat spacing pattern as provided for in Rule C-3, General Rules and Regulations and Rules of Practice and Procedure.

6. That there is unanimity among the operators with respect to the suggested amendments to Field Rule 2-2.

IT IS THEREFORE ORDERED:

ORDER

1. That the Board's order in Cause No. 2, Cause No. 102-5, and Cause No. 102-16 is hereby revised as follows:

Field Rule 1-2 reads:

The spacing of all wells drilled for oil or gas which are within the following described area--to wit:

Township 18 South, Range 25 East
Sec: 25 through 36

Township 18 South, Range 26 East
Sec: 29 through 32

Township 19 South, Range 23 East
Sec: 19 through 36

Township 19 South, Range 24 East
Sec: All

Township 19 South, Range 25 East
Sec: All

Township 19 South, Range 26 East
Sec: 5 through 8

Township 20 South, Range 21 East
Sec: All

Township 20 South, Range 22 East
Sec: All

Township 20 South, Range 23 East
Sec: All

Township 20 South, Range 24 East
Sec: All

Township 20 South, Range 25 East
Sec: All

Township 21 South, Range 22 East
Sec: 1 through 12

Township 21 South, Range 23 East
Sec: All

Township 21 South, Range 24 East
Sec: All

and are not within a pool for which drilling units have been established shall be governed by Field Rule 2-2.

✓ Field Rule 2-2 is amended to read:

"All wells drilled for the discovery of oil and/or gas which are not within a pool, reservoir, or field for which drilling units have been established or for which a petition for establishment of a drilling unit has been filed, shall be located not less than 500 feet from any property or lease line and not less than 200 feet from the boundary of any legal subdivision comprising a governmental quarter-quarter section or equivalent lot or lots of comparable size and location, and not less than 400 feet from any oil well, or less than 1320 feet from any gas well, unless otherwise specifically authorized by the Board after notice of hearing.

Whenever an exception is granted by the Board, the Board may, at any time thereafter, take such action as will offset any advantage which the person securing the exception may obtain over the other producers in the area covered by Field Rule 1-2."

✓ All previously drilled wells and all wells drilled in the future which:

- a. are less than 660 feet from the lease or property line and are classified as gas wells or
- b. are less than 200 feet from the lease or property line and are classified as oil wells

may be offset, the same distance from the property line or a drilling unit may be established for said well if the Board of Oil, Gas and Mining, finds, after notice and a hearing that correlative rights are being violated.


* All notices of Intention of Drill must be accompanied by a plat on which is outlined the acreage covered by the lease on which the well is to be drilled.

✓ Rule 1-2 and Rule 2-2 are only applicable to wells drilled or to be drilled to a depth of 3500 feet or less.

2. That the board retains continuing jurisdiction over all matters covered by this order and particularly to make further orders as may be necessary under conditions and circumstances developed in the future.

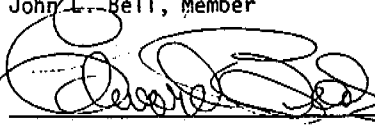
ENTERED this 15th day of November, 1979.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Charles R. Henderson, Chairman

- ① 500' from Lease line
 - ② 200' from gtr/gtr lines
 - ③ 400' from an Oil well
- AND
1320' from a gas well

John L. Bell, Member


Edward T. Beck, Member

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE*
 (Other instructions on
 reverse side)

U-15054

5. Lease Designation and Serial No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

N/A

6. If Indian, Allottee or Tribe Name

N/A

7. Unit Agreement Name

GOVT

8. Farm or Lease Name

STALEY

S & M 4-1

9. Well No.

4-1

10. Field and Pool, or Wildcat

GREATER CISC0005

11. Sec., T., R., M., or Bld.
and Survey or Area

Sec 4, T 20 S R 24 E.

2. Name of Operator

S & M PRODUCTION

3. Address of Operator

PO BOX 2165 FARMINGTON NEW MEXICO 87499

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface 735 from north & 663 from east line

At proposed prod. zone 753

NENE

14. Distance in miles and direction from nearest town or post office*

8 miles north east of Cisco, Utah

12. County or Parrish 13. State

GRAND, UTAH

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drlg. line, if any)

663 feet

16. No. of acres in lease

17. No. of acres assigned
to this well

40

18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.

1320

19. Proposed depth

1800

MRSH

20. Rotary or cable tools

ROTARY

21. Elevations (Show whether DF, RT, GR, etc.)

4591 GR.

22. Approx. date work will start*

MARCH 25, 1991

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
11"	7/ 5/8"	32	180	40
5 5/8"	2 7/8"	6.5	1500	38

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MAR 11 1991

**DIVISION OF
OIL GAS & MINING**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

Galen Helmske

Title

agent, S&M Production

Date

March 3, 1991

(This space for Federal or State office use)

APPROVED BY THE STATE

OF UTAH DIVISION OF

OIL, GAS, AND MINING

Permit No.

43-019-31311

Approval Date

DATE:

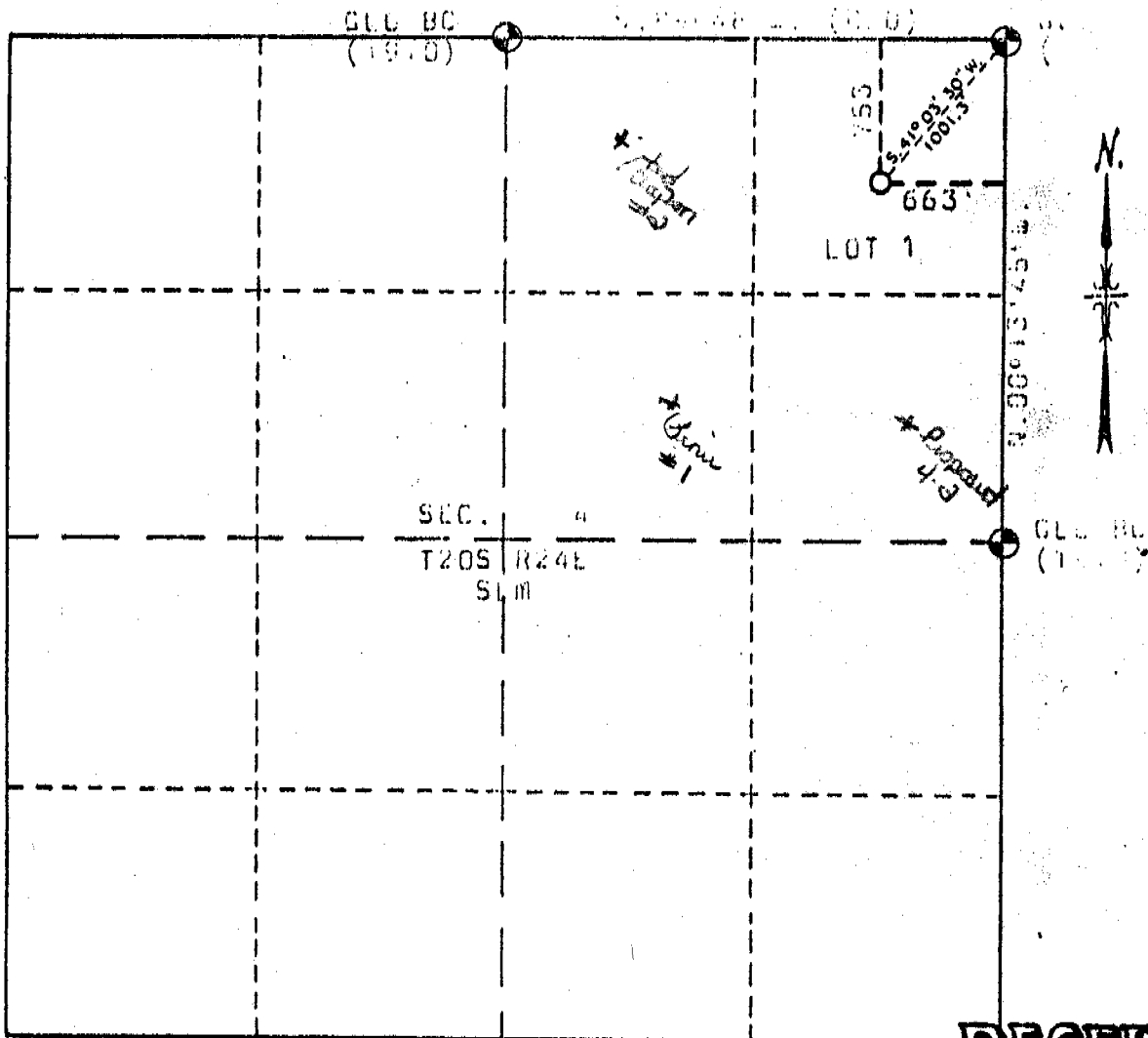
BY:

WELL SPACING: 102-16B

Approved by

Title

Conditions of approval, if any:



1000 0 1000

SCALE: 1" = 1000'

S&M 4-1

Located 753 feet from the North line and 663 feet from the East line of Section 4, T20S, R24E, S1M.

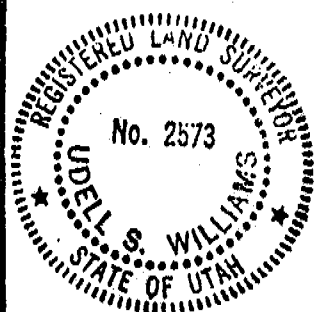
Elev. 4557

Grand County, Utah

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**DIVISION OF
OIL GAS & MINING**



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Udell S. Williams
Utah RLS No. 2573



UDELL S. WILLIAMS
Professional Land Surveyor
751 Road Avenue (303) 243-4594
Grand Junction, Colorado 81501

PLAT OF
PROPOSED LOCATION
S&M 4-1
LOT 1, SECTION 4
T20S, R24E, S1M

SURVEYED BY: DATE:
DRAWN BY: DATE:

RECEIVED**MAR 11 1991****DRILLING AND SURFACE USE PLAN****S & M PRODUCTION****WELL NAME; STALEY #1****DIVISION OF
OIL GAS & MINING****LEGAL DESCRIPTION; SW/NE/NE SECTION 4, T.20 S;R.24 E.
GRAND COUNTY, UTAH**

All lease operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order #1, and the approved plan of operations. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to ensure compliance.

A.) DRILLING PROGRAM**1.) Surface formation and estimated formation tops:**

Mancos Shale: 0-'1350'
Dakota : 1350'
Morrison : 1550'
Salt Wash : 1800

2.) Estimated depth at which oil, gas or water producing zones are expected to be encountered:

	Formation	Depth
Oil Zones:	B. Basin - Morrison	1350-1450
	Salt Wash	1800-1850
Gas Zones:	Dakota	1500-1550
Water Zones:	Dakota	1450

3.) Pressure Control Equipment: Drill hole will be equipt with a "Regan Torus" 3000 psi. Annular BOP together with a set of pipe and blind rams and sufficient accumulator.

1 choke line manifold consisting of 2 - 2" valves, 2" chokes and a 2" kill line directed into the reserve pit. Choke manifold will be equipt with a pressure gauge.

Float subs will be used in the drill string. Upper kelly cock valve will also be in place.

In the event the BOP or BOPE requires repair after testing, this work will be preformed prior to drilling out from under surface casing.

If the BOP or BOPE equipment cannot function to secure hole during drilling, the well will be contained using either 10# Salt Water Brine, cement or other means which will assure safe well conditions.

place until the well is completed or abandoned. BOP will be inspected and operated daily to ensure good mechanical working condition. Inspections will be noted in drillers reports.

1

4.) Casing Program:

Surface casing: 160' 7 5/8". with 40 sacks cement.

Production casing: 1500' ft. with 38 sacks cement. 2 7/8"

5.) Mud and circulating medium : The test will be drilled with air.

6.) Coring, Logging and Testing program: No cores are will be taken.

Gamma Ray and Resistivity logs will probably be run.

Whether the hole is completed as a " Dry Hole " or " producer ", a " Well Completion and Recompletion Report " (form 3160-4) will be submitted to the District Office within 30 days of completion of drilling activities, in accordance with 43 CFR 3164. Two copies of all logs, if any, well test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled will be submitted with form 3160-4.

7.) Abnormal conditions, Bottom Hole Pressures and Potential Hazards : No H₂S gas is anticipated. Bottom hole pressures are less

the hydrostatic, no abnormal conditions have been found in this area.

8.) Anticipated Starting Dates and Notifications: March 25, 1991

Required verbal notifications are summarized in table #1, attached. Written notifications in the form of a Sundry notice (form 3160-5) will be submitted to the District Office within 24 hours after spudding (weekends and holidays excepted).

In accordance with Onshore Oil and Gas Order #1, this well will be reported on Form 9-329, " Monthly Report of Operations ", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Minerals Management Service as required.

IMMEDIATE REPORTS:

Spills, blowouts, fires, leaks, accidents, or other unusual occurrences shall be promptly reported to the Grand Resource area in accordance with requirements of NTL-3A.

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MAR. 1, 1991

**DIVISION OF
OIL GAS & MINING**

In the event the well is completed as an oil or gas well the District manager shall be notified in writing within five working days of said well being placed into production.

2

A " Subsequent Report of Abandonment " (Form 3160-5) will be filed with the District manager within 30 days following completion of the well for abandonment. This report will indicate where plugs were set and the current status of surface reclamation work required by the approved "APD" or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50mmcf. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The top of the marker will be closed or capped.

THIRTEEN POINT SURFACE USE PLAN

1.) Existing Roads: County road from I-70 Cisco interchange northward for 4 miles, than $\frac{1}{2}$ miles south east on existing oil field road to the location.

A.) Location of proposed well in relation to the closest town or other reference point:

Location is 8 miles north east of Cisco, Utah

B.) Proposed Access Route:

See map

C.) Road Maintenance or Improvement Plans:

No road work will be required for this location

D.) Other:

2.) Planned Access Roads:

A.) The maximum total disturbance width will be 15' feet.

B.) Maximum Grade minimal

C.) Drainage: none needed

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**DIVISION OF
OIL GAS & MINING**

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area manager in advance.

3

Location of Existing Wells:

Producing gas well NW NE Section 4, T.20S; R.24 E.

4.) Production Facilities:

All permanent structures constructed or installed will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities shall be painted within six months of installation. Facilities required to comply with OSHA may be excluded. The present recommended color is SLATE GRAY.

If a tank battery is constructed on the lease, it will be surrounded by a dike of sufficient capacity to contain 1/2 times the storage capacity of the largest tank in the battery.

All load lines and valves will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in Onshore Order #3 will be adhered to.

All off lease storage, gas measurement or commingling will have prior approval from the District manager.

All product lines entering or leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow lines between the wellhead and meter run and from the meter run to a point off the well pad shall be buried. Meter runs shall be housed.

The oil and gas measurement facilities shall be located on the wellsite. The measurement facilities shall be calibrated in place prior to any deliveries. All meters shall be tested monthly for the first three months of production and every 90 days thereafter to ensure accuracy. The Grand Resource Area shall be notified, verbally, of the initial calibration test, and subsequent initial testing, prior to such testing. A copy of the calibration tests shall be provided to the Area manager upon request. All measurement facilities shall conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5.) Location and Type of Water Supply: Water needed will come from the Colorado River at Fish Ford.

All water needed for drilling purposes will be obtained from:

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OIL GAS & MINING**

Water permits, as required, shall be obtained from the appropriate agency, private land owner or the Utah Division of Water Rights.

4

6.) Source of Construction Material:

Pad construction material will be obtained from the staked location. The use of materials under B.L.M. jurisdiction will conform to 43 CFR 3610.1-3.. The source of construction material will be located on lease.

7.) Methods of Handling Waste Disposal:

All drilling cuttings and fluids shall be contained in an unlined pit located approximately 100 ft. from the drill hole. Three sides of the reserve pit shall be fenced prior to drilling out from under surface casing. Unless this pit is needed for and included as part of the permanent production facility it shall be filled and reclaimed as soon as possible after drilling activities end. If the pit is to be used as part of the production facility the fourth side shall be fenced and the required Sundry notice requesting permission for such produced waste water reserve pits shall be submitted to the District Office, in accordance with Onshore Order #3 (NTL-2B).

All trash shall be contained in a trash cage and removed at the end of the drilling program.

If burning is required, a permit shall be obtained from the State Fire Warden at 1-801-259-6316.

8.) Ancillary Facilities:

Camp facilities will not be required.

9.) Well Site Layout:

SEE ATTACHED DIAGRAM.

10.) Restoration Plans:

Immediately upon completion of drilling, the location and surrounding area will be cleared of all remaining debris, materials, trash and junk not required for production. All disturbed areas will be recontoured to the approximate natural contours. The stockpiled soil, if any, will be evenly distributed over the disturbed area.

Prior to seeding all disturbed areas will be scarified and left with a rough surface. Seed will be broadcast at a time specified by the B.L.M.. The seed mixture to be used shall be that which is recommended by the B.L.M.. All disturbed areas not need for production facilities shall also be reseeded.

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OIL GAS & MINING**

11.) Surface and Mineral Ownership: **BLM has surface and minerals**

5

12.) Other Information:

There will be no deviation from the proposed drilling program without the prior written approval of the District Manager. All drilling and completion activities shall be conducted in a safe and diligent manner. All wells drilling, producing or abandoned shall be properly identified in accordance with 43 CFR 3164.

" Sundry Notice and reports on wells " (form 3160-5) will be filed for approval for all changes of plans or other operations in accordance with 43 CFR 3164.

All subcontractors shall be provided a copy of the approved permit to drill including the dirt contractor. In the event any cultural resources are found during the operations all activities shall cease and the Area Manager notified of such findings.

This permit shall be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13.) Lessee's / Operators Certification:

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**DIVISION OF
OIL GAS & MINING**

I hereby certify that the aforementioned corporation is the lessee of record and the operator of the lease/well discussed in this application. Bond coverage is provided by _____ Bond _____ presently on file with the B.L.M., I am familiar with the access route and planned activities; All the statements provided herein are true to the best of my knowledge and that all contractors involved in these operations are under my supervision and will be held accountable for their actions.

Galén Helmke

GALEN HELMKE, agent for
S M PRODUCTION
739 27 Road
Grand junction, co. 81506
Ph (303) 242-0581

3704

REGAN FORGE & ENGINEERING COMPANY

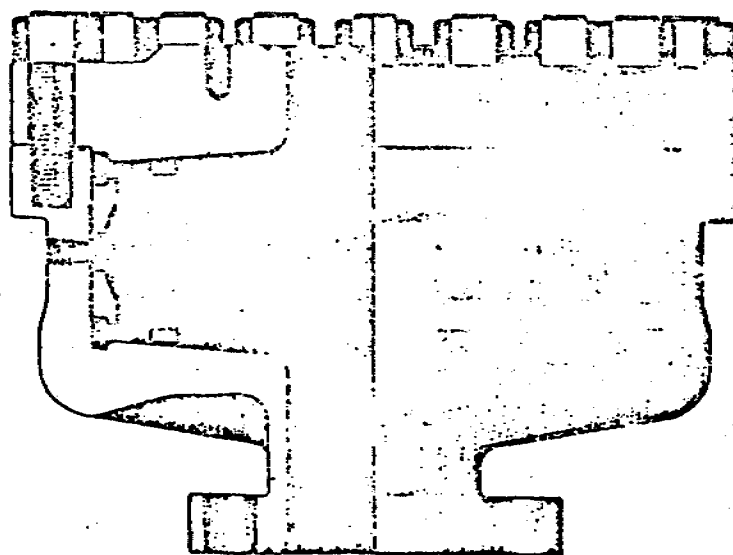
San Pedro, Calif.

REGAN BLOWOUT PREVENTERS

The Regan Torus Blowout Preventer is used primarily on production and workover rigs for well control up to 3000 PSI working pressure

DESIGN FEATURES

- The Torus Preventer is designed for minimum height to facilitate its use with production and workover rigs.
- The rubber packer will conform to any object in the well bore. Sealing ability is not affected by minor damage to the inner bore.
- The packer will seal an open hole at full working pressure.
- The dual packer design increases the reliability of the preventer since the outer rubber is never exposed to the well bore. Under ordinary service, the outer packer is rarely replaced.



TORUS BLOWOUT PREVENTER
PATENTED

SPECIFICATIONS

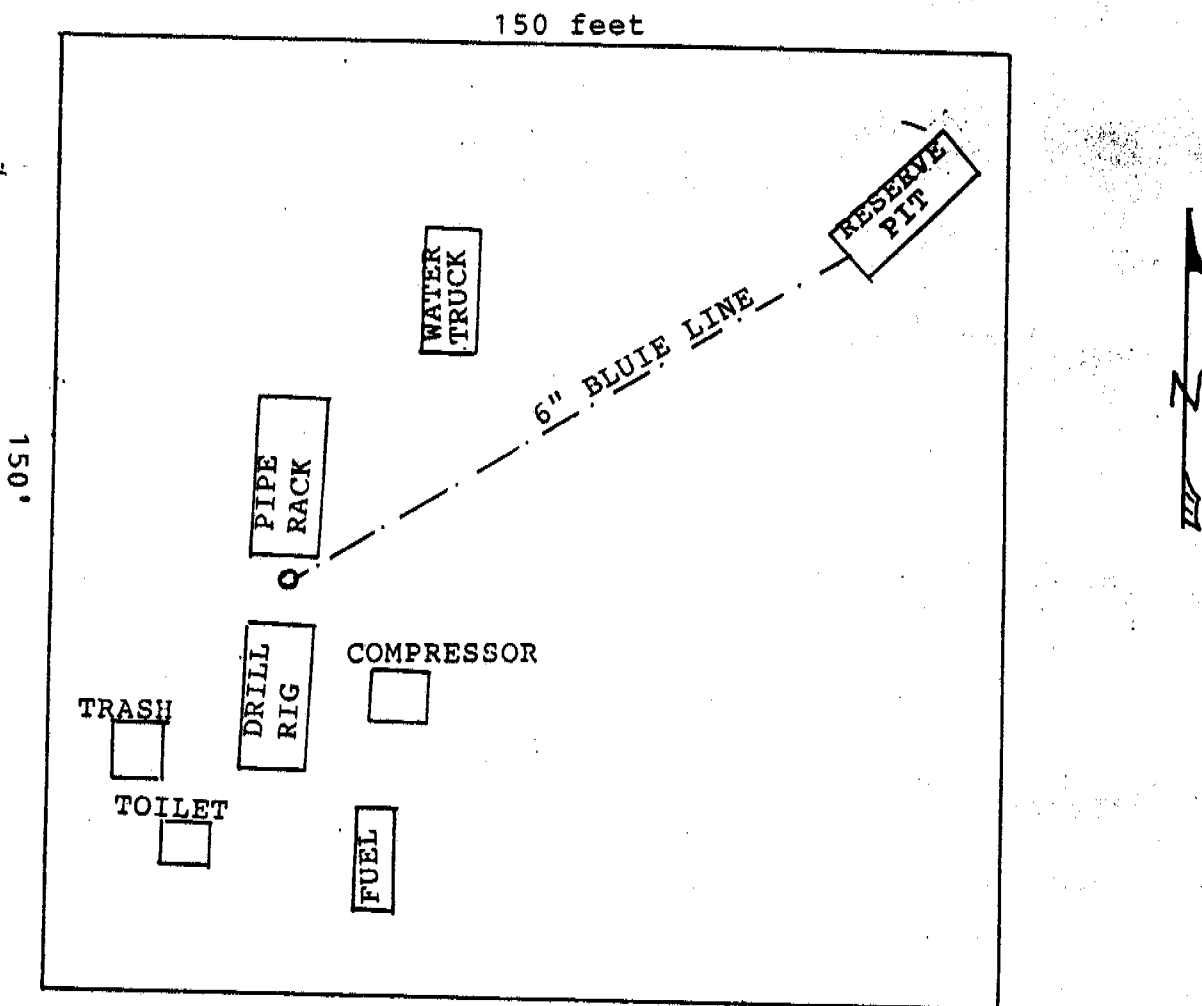
Nominal Size	Test Pressure (psi)	DIMENSIONS (in.)			Weight (lb.)	End Flanges (I)	R/RX Ring Grooves	Side Outlet
		Outside Diameter	Thru Bore	Overall Height				
6	3000	27	2 1/4	19 1/2	1360	Nom. 6	45	None

(1) Bottom Range holes elongated for use with either 2000 or 3000 psi API-5B flange. (Also can be used with obsolete Ser. 400 API flange.) Top flange normally standard for 3000 psi API-5B.

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OIL GAS & MINING

S M GAS PRODUCTION
Section 4, T.20 S; R. 24 E.
Grand County, Utah

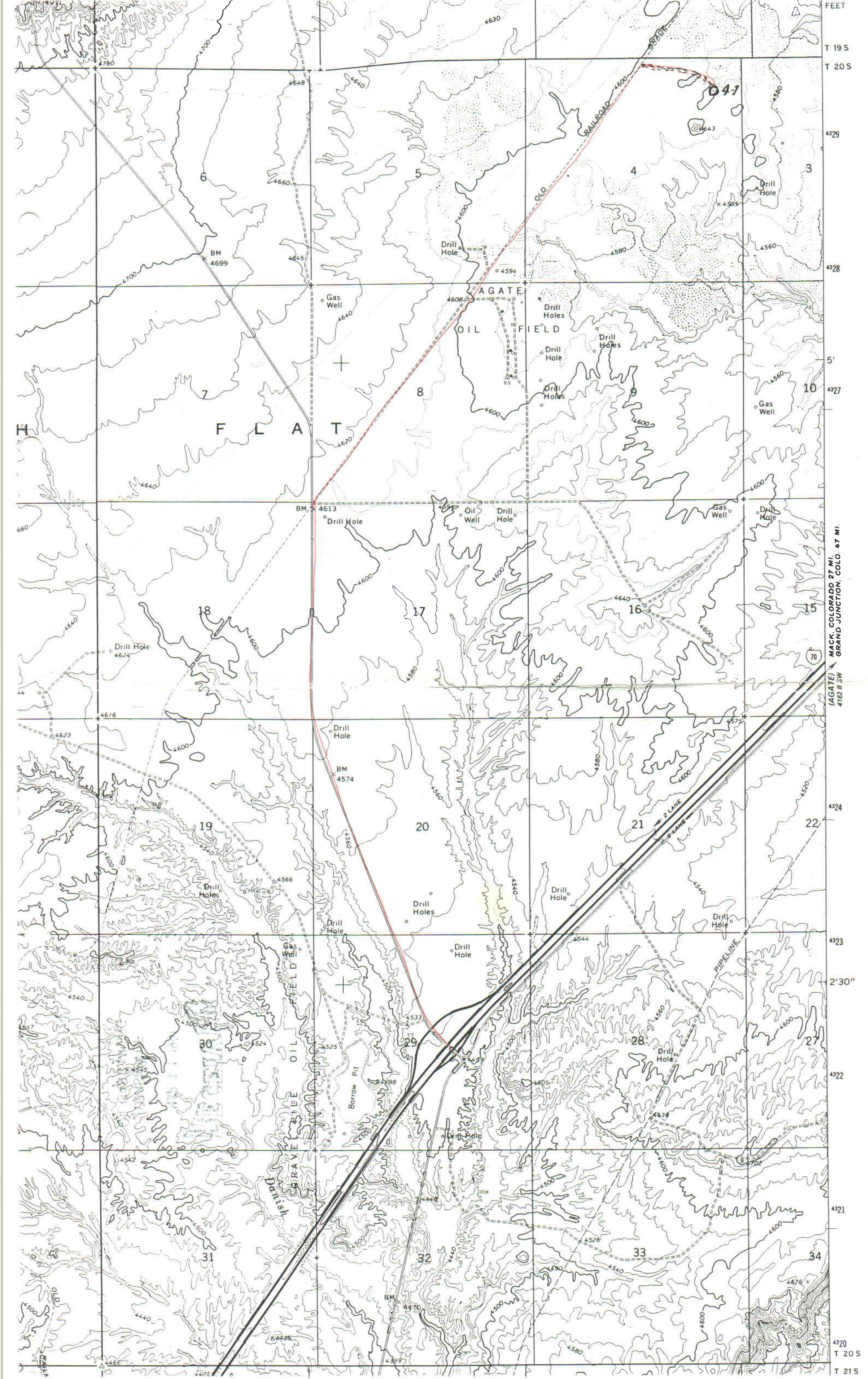


Scale 1" = 30'

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MAR 11 1991

DIVISION OF
OIL GAS & MINING

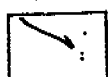


OPERATOR S. m Production N. 8170 DATE 3-18-91
WELL NAME Stashy S. m 4-1
SEC NENE 4 T 005 R 04E COUNTY Grand

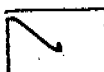
43-019-31311
API NUMBER

Leasehold (1)
TYPE OF LEASE

CHECK OFF:



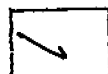
PLAT.



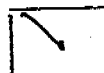
BOND



NEAREST
WELL



LEASE



FIELD
SLBM



POTASH OR
OIL SHALE

PROCESSING COMMENTS:

falls within cause guidelines
water permit

APPROVAL LETTER:

SPACING:



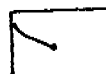
R615-2-3

N/A

UNIT



R615-3-2



100-168 11-15-79

CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

1- Needs water permit



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

March 18, 1991

S & M Production
P. O. Box 2165
Farmington, New Mexico 87499

Gentlemen:

Re: Staley S & M 4-1 Well, 735 feet from the North line, 663 feet from the East line, NE NE, Section 4, Township 20 South, Range 24 East, Grand County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order in Cause No. 102-16B dated November 15, 1979 subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Utah Code Ann. Section 73-3, Appropriation.

In addition, the following actions are necessary to fully comply with this approval:


1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of Entity Action Form 6, within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification in the event it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or J. L. Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Utah Admin. R.615-3-20, Gas Flaring or Venting.

Page 2
S & M Production
Staley S & M 4-1
March 18, 1991

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of Drinking Water/Sanitation, telephone (801) 538-6159.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31311.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-18

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

SM Gas Production

3. ADDRESS OF OPERATOR

P.O. Box 2165 Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 753 from North & 663 from East

At proposed prod. zone Line section 4 4301931311 Del.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 miles northeast of Cisco, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 663

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

1800

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4597 GR.

22. APPROX. DATE WORK WILL START*

DEC 28 1990

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11	7 7/8	32	180	40 sacks
6 7/8	4 1/2	10	1500	60 sacks

RECEIVED

MAR 28 1991

DIVISION OF
OIL GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Galen Helmpe TITLE agent DATE NOV 28, 1990

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Assistant District Manager

MAR 25 1991

APPROVED BY

/S/ WILLIAM C. STRINGER

TITLE

DATE

FLARING OR VENTING OF

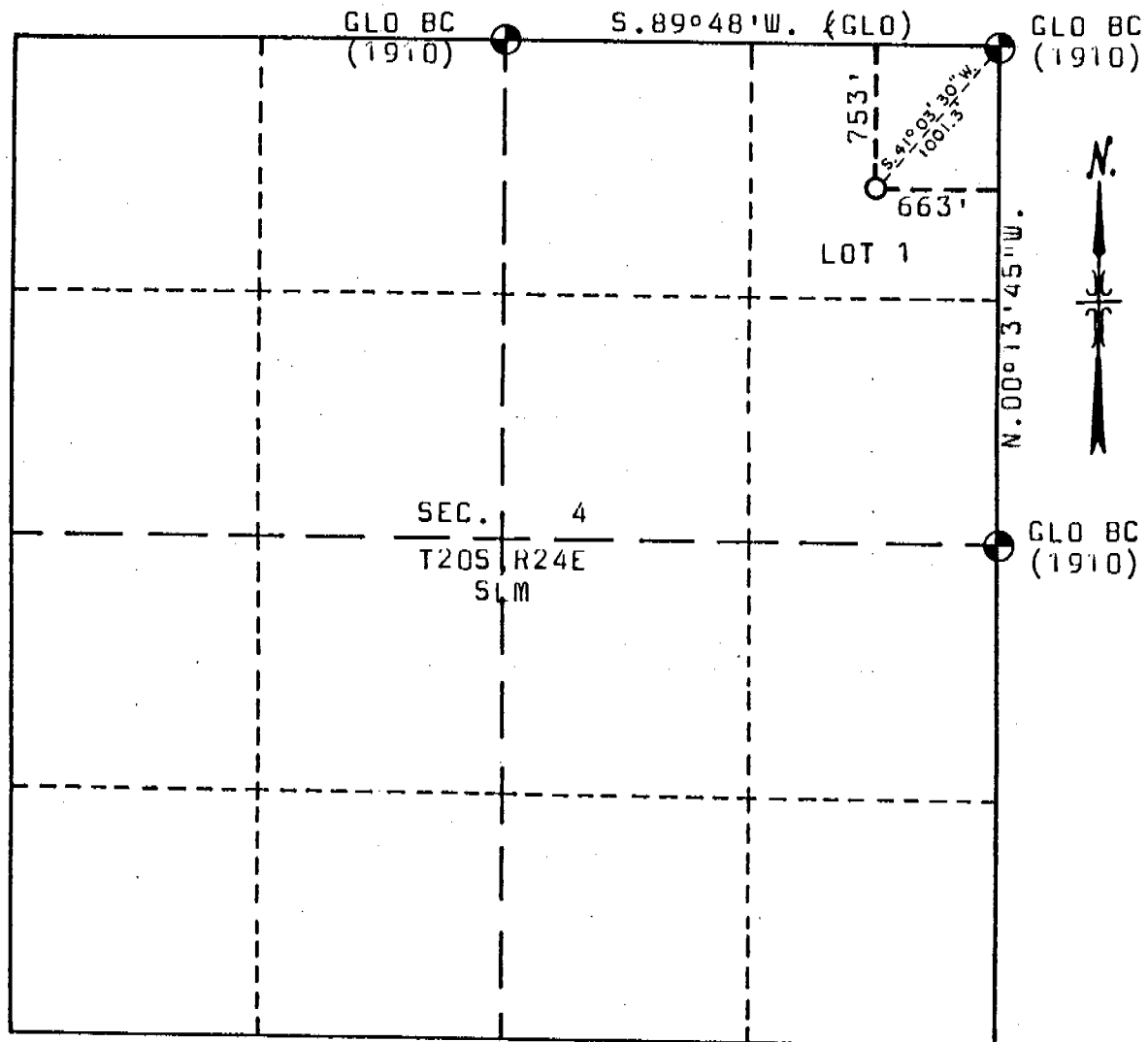
GAS SUBJECT TO NTL 4-A

CONDITIONS OF APPROVAL ATTACHED

1/1/80

*See Instructions On Reverse Side

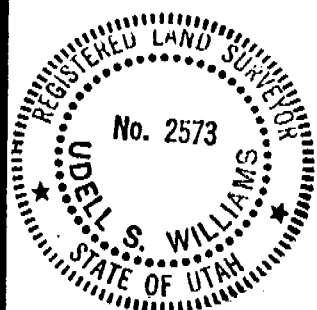
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Located 753 feet from the North line and 663 feet
from the East line of Section 4, T20S, R24E, SLM.

Elev. 4597

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED
FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR
UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE
AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Udell S. Williams
Utah RLS No. 2573



UDELL S. WILLIAMS
Professional Land Surveyor
751 Road Avenue (303) 243-4594
Grand Junction, Colorado 81501

PLAT OF
PROPOSED LOCATION
S&M 4-1
LOT 1, SECTION 4
T20S, R24E, SLM

SURVEYED BY: USW DATE: 8/24/90
DRAWN BY: USW DATE: 8/25/90

SM Gas Production, Inc.
Well No. Staley #1
NENE Sec. 4, T. 20 S., R. 24 E.
Grand County, Utah
Lease U-15054

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that SM Gas Production, Inc., is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

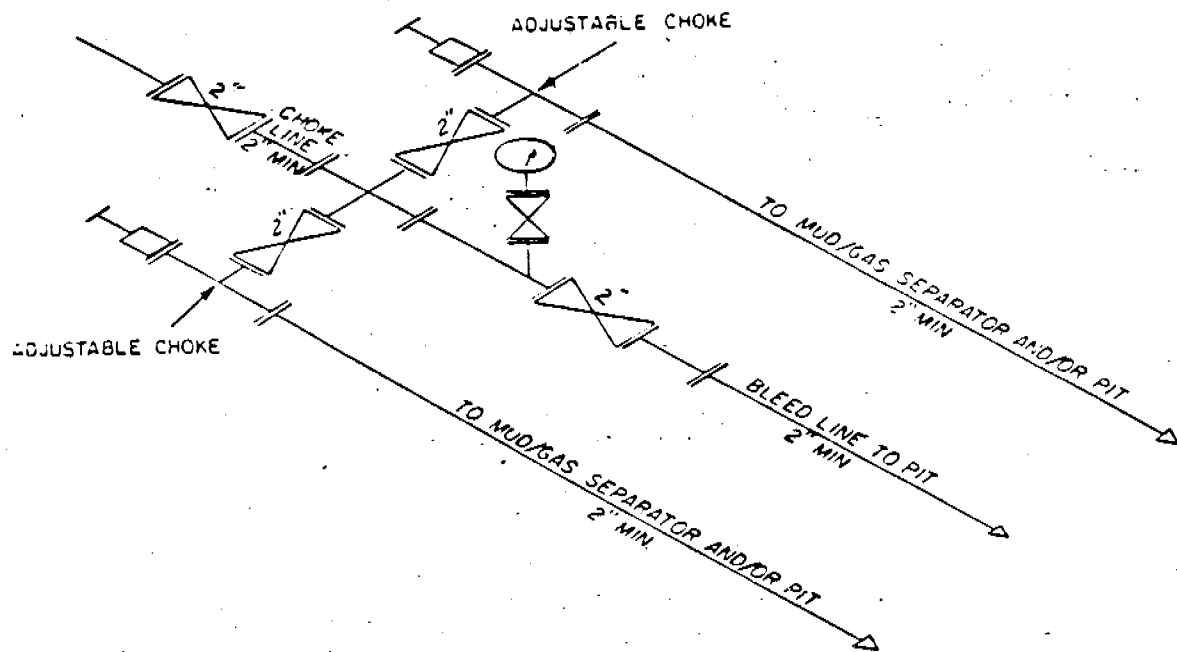
Bond coverage for this well is provided by UT0809 (Principal - SM Gas Production, Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Orders 1, 2, 3, 4 and 5 and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

1. All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.
2. Surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
3. BOP's and BOPE shall be tested, maintained and operated according to Onshore Order No. 2; 2000 lb system. See required choke manifold diagram enclosed.



2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

4. Surface casing shall have a centralizer on each of the bottom three joints. (This approval condition is required until OOG0 No. 2 is revised /corrected.)
5. No hexavalent chromate additives will be used in the mud system in order to protect usable quality water aquifers.
6. Daily drilling and completion progress reports shall be submitted to the District Office on a weekly basis.

Company: S & M PRODUCTION _____
Well: 4-1.4-1.4-3.&3-1 _____
Section: 3/4, T.20S., R24E.

ADDITIONS TO THE MULTIPPOINT
SURFACE USE PLAN
AND
RECLAMATION PROCEDURES

CONSTRUCTION:

1. The operator or his contractor will contact the Grand Resource Area Office in Moab, Utah (phone 801-259-8193) 48 hours prior to beginning any work on public land.
2. The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to any work.
3. Use of water from sources such as wells, springs, streams, or stock ponds for activities associated with this well will be approved, prior to use, by the agency or individual holding the water right.
4. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance. Surface material will not be placed on the access road or location without prior BLM approval.

PRODUCTION

1. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed in the methods described in the rehabilitation section. All of the stockpiled topsoil will be used in reclaiming the unused areas.
 2. The above-ground production facilities will be painted using the suggested color: SLATE GREY.
 3. The access will be to the design of a Class 111 road.
 4. Maximum new access travel width to each of the wells will be 15 feet. Vegetation will be left in place along the routes and driven over. Vegetation in the form of greasewood can be removed from the route to the 3-1 well. When production is determined for each well the access routes will be upgraded by adding water control structures where needed.
-
-
-

REHABILITATION

- 1). Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operation. All trash will be disposed of in the trash pit/cage. Non-burnable debris will be hauled to a local dump site.
- 2). The operator or his contractor will contact the Grand Resource Area BLM office in Moab, Utah, phone (801-259-6111), 48 hours prior to starting rehabilitation work that involves earthmoving equipment and completion of restoration measures.
- 3). Before any dirt work to restore the location takes place, the reserve pit must be completely dry and any trash (barrels, metal ect.) it contains must be removed from public lands.
- 4). All disturbed areas will be recontoured to blend as nearly as possible with the surrounding area.
- 5). The stockpiled topsoil will be evenly distributed over the disturbed area.
- 6). All disturbed areas will be scarified with the contour to depth of six inches. Do not smooth pads out, leave a roughened surface.
- 7). Seed will be (broadcast/drilled) at a time to be specified by the BLM with the following seed prescription. When broadcast seeding, a harrow or some such implement will be dragged over the seeded area to assure seed cover.
- 8). After seeding is complete the vegetation and soil removed from each location during construction will be scattered over the disturbed area. Each well access will be blocked to prevent any vehicle use.
- 9). Waterbars will be used on all sloping surfaces as shown below:

<u>GRADE</u>	<u>SPACING</u>
2%	200 ft. spacing
2-4%	100 ft. spacing
4-5%	75 ft. spacing
+5%	50 ft. spacing

C. Anticipated Starting Dates and Notifications of Operations:

Required verbal notifications are summarized in Table 1, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved through the District Office.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

"Fed" or "Ind", as applicable. "Well number, location by 1/4 1/4 section, township and range". "Lease number".

TWELVE-POINT SURFACE USE PLAN OF OPERATIONS

1. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.
2. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
3. If a tank battery is constructed on the lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank in the battery.

NOTIFICATIONS

Notify Jeff Robbins/Elmer Duncan of the Grand Resource Area, at
(801) 259-8193 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

1 day prior to running and cementing surface casing;

1 day prior to pressure testing of surface casing.

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111
for the following:

No well abandonment operations will be commenced without the prior approval of the Assistant District Manager, Minerals Division. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed.

Dale Manchester, Petroleum Engineer	Office Phone: (801) 259-6111
-------------------------------------	------------------------------

Home Phone: (801) 259-6239

Eric Jones, Petroleum Engineer	Office Phone: (801) 259-6111
--------------------------------	------------------------------

Home Phone: (801) 259-2214

If unable to reach the above individuals including weekends, holidays, or after hours please call the following:

Lynn Jackson,	Office Phone: (801) 259-6111
---------------	------------------------------

Chief, Branch of Fluid Minerals	
---------------------------------	--

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS

STATE OF UTAH

SUBMIT IN DUPLICATE*

OIL & GAS CONSERVATION COMMISSION

(See other instructions on reverse side)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____2. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other _____

3. NAME OF OPERATOR

S M GAS PRODUCTION

4. ADDRESS OF OPERATOR

PO BOX 2165 FARMINGTON, NEW MEXICO

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

753 from north & 663 from east line

At top prod. interval reported below

At total depth

DIVISION OF

14. PERMIT NO.

OIL GAS & MINING

43-019-31211

15. DATE SPUDDED

APRIL 10, '91

16. DATE T.D. REACHED

MAY 10, 91

17. DATE COMPL. (Ready to prod.)

18. ELEVATIONS (DF, RES, RT, GR, ETC.)*

4597 Gr. 4601 Kb.

19. ELEV. CASINGHEAD

4697

20. TOTAL DEPTH, MD & TVD

1556

21. PLUG BACK T.D., MD & TVD

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

0-1522

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

1477 - 1487

MRSN

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

CALIPER 3-3-92

27. WAS WELL CORRED

GAMMA RAY, NEUTRON, SELF POTENTIAL & RESISTIVITY 50-1556

NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7 5/8"	32#	160'	3"	CEMENTED TO SURFACE	NONE
2 7/8"	6.5#	1554	5 1/4"	74 sacks	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

PERFORATED 1477 -1487 WITH 20 SHOTS

WILL START ADDITIONAL SWABB TESTS IN MARCH OR APRIL

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO
			→				
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL.	GAS—MCF.	WATER—BSL.	OIL GRAVITY-API (CORR.)	
		→					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Loren Holmbe

TITLE

Geologist

DATE

Feb. 25, 1992

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on Items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for Items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
ALLUVIUM	0	3"				
MANCOS SH.	3	1220	DARK GRAY SHALE	DAKOTA SS.	1220	
DAKOTA SS.	1220	1320	SANDSTONE, CARBONACEOUS SHALE & COAL	CEDAR MT.	1320	
CEDAR MT.	1320	1427	SANDSTONE, SHALE (GREEN & GRAY)	BRUSHY BASIN (MEMBER OF MORRISON)	1427	
BRUSHY BASIN	1427	1556	SHALE GREEN & SHALE (RED GREEN) & SANDSTONES.			

S M GAS PRODUCTION
STALEY NO. 4-1

NE NE SECTION 4, T. 20 S; R. 24 E.
GRAND COUNTY, UTAH
753 from north & 663 from east line

ELEV: 4597 GR.
4601 KB.

Spud: APRIL 10, 1991
Comp:

CASING: 7" @ 150' with 45 sacks
2 3/8 " @ 1557 with 74 sacks class "B" cement.

SAMPLE DESCRIPTION
by
GALEN HELMKE

Test started in Mancos shale 2500 feet below the Mancos-MesaVerde contact.

Air drilled 0 - 1250'

0	-	4'	Surface soil
4	-	1140	Shale gray to dark gray marine.
1140	-	1160	Shale medium gray.
1160	-	1180	Shale dark gray.
1180	-	1190	Shale medium to dark gray.
1190	-	1200	Shale dark gray & silty.
1200	-	1220	Shale gray silty.
1220			DAKOTA SANDSTONE + 3377
1220	-	1240	Sandstone buff to tan fine to medium grained - most drilled up as individual sand grains.
1240	-	1250	Poor sample - Sandstone fine to medium grained.
1250			Started mist drilling.
1250	-	1260	Sandstone medium grained.
1260	-	1280	Shale lt. gray bentonitic & Shale gray-green.
1280	-	1300	Sandstone tan to buff - fine to medium grained.
1300	-	1320	Shale gray brown - 1318 -1320 Sandstone white fine grained with white clay cement.
1320			CEDAR MOUNTAIN + 3277
1320	-	1340	Shale light gray green - bentonitic.
1340	-	1360	Shale as above with trace of red brown shale.
1360	-	1380	Shale red - bentonitic.
1380	-	1400	Shale as above.
1400	-	1420	Sandstone fine to medium grained & red shale.
1430			BRUSHY BASIN MEMBER OF MORRISON + 3167
1420	-	1440	Sandstone medium grained & shale red-green. Drilled with mud 1440 to 1560.

1480	- 1490	Sandstone white - fine to medium grained.
1490	- 1493	Sandstone as above & Shale red to purple.
1493	- 1500	Shale green bentonitic.
1500	- 1510	Shale gray - green.
1510	- 1520	Shale pink very bentonitic.
1520	- 1525	Shale terra- cotta red.
1525	- 1535	Shale gray with white bentonite.
1535	- 1545	Shale as above.
1545	- 1550	Shale red silty.
1550	- 1555	Shale red & light gray limestone.
1550	- 1560	Shale red silty.
1560		(circulated sample) Shale red.
1560		TOTAL DEPTH

The test blew drilling mud from the hole at 1560'. Orifice tests indicated flow rate of 6.4 million cubic feet per day at start of test and 500,000 cubic feet per day at end of a 24 hours test. The producing zone is probably at 1527' or at 1477-1488'. The Southwest Surveys logs of the well will have to be analyzed to determine the producing zone.

Galen Helmke

Galen Helmke
Well-site Geologist

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

RECEIVED

MAR 03 1992

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number S M GAS PRODUCTION 4-1 GOV'T DIVISION OF
OIL GAS & MINING
Operator S M GAS PRODUCTION Address PO BOX 2165 FARMINGTON NM 8499
Contractor TERRY LEECH Address MOAB UTAH
Location NE 1/4 NE 1/4 Sec. 4 T. 20 S R. 24 E. County GRAND

Water Sands

<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
From	To	Flow Rate or Head	Fresh or Salty
1. 1235	1250	Est. @ 15 gallons per minute	SLIGHTLT SALTY
2.			
3.			
4.			
5.			

(Continue of reverse side if necessary)

Formation Tops DAKOTA 1220
CEDAR MT. 1320
Remarks BRUSHY BASIN 1427

- NOTE: (a) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number S M GAS PRODUCTION 4-1 GOV'T
Operator S M GAS PRODUCTION Address PO BOX 2165 FARMINGTON NM 8499
Contractor TERRY LEECH Address MOAB UTAH
Location NE ¼ NE ¼ Sec. 4 T. 20 S R. 24 E. County GRAND

Water Sands

<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
From	To	Flow Rate or Head	Fresh or Salty
1. <u>1235</u>	<u>1250</u>	<u>Est. @ 15 gallons per minute</u>	<u>SLIGHTLT SALTY</u>
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____

(Continue of reverse side if necessary)

Formation Tops DAKOTA 1220
CEDAR MT. 1320
Remarks BRUSHY BASIN 1427

RECEIVED

MAR 03 1992

DIVISION OF
OIL GAS & MINING

- NOTE: (a) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM - FORM 6

OPERATOR S.M. Gas Prod. Inc OPERATOR ACCT. NO. N 8170
ADDRESS P.O. Box 2165
Farmington, N.M. 87499

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B(2)	99999	2050	43019313110051	S.M. 4-1		4	20S	24E	Grand	4-1-91	
WELL 1 COMMENTS: Both wells are on same lease. when produced Gas will go thru same meter (C.D.M.)											
B(2)	99999	2050	43019313120051	SM 4-2		4	20S	24E	Grand	5-17-91	
WELL 2 COMMENTS: Entitles added 3-25-92. Jup											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

RECEIVED

MAR 19 1992

DIVISION OF
OIL GAS & MINING

ETM Lussat
Signature
505
Title
3-17-91
Date
Phone No. 1329-9455

PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File _____☐ Suspense
(Return Date) _____☒ Other
CHARLES _____

(Location) Sec _____ Twp _____ Rng _____

(To - Initials) _____

(API No.) _____

1. Date of Phone Call: 3-17-92 Time: 9:542. DOGM Employee (name) L. ROMERO (Initiated Call ☒
Talked to:Name E.M. SUSSEX (Initiated Call ☐ - Phone No. (505) 327-1976of (Company/Organization) SM GAS PRODUCTION INC. (N8170)3. Topic of Conversation: STALEY S&M 4-1/43-019-31311 AND GOVT 4-2/43-019-31312

4. Highlights of Conversation: _____

REQUESTED WCR'S FOR THE ABOVE WELLS AND ENTITY ACTION FORMS.

MR. SUSSEX WILL MAIL THEM ASAP. HE WAS UNAWARE THAT HE NEEDED TO SUBMIT

THIS INFO TO THE STATE, BEING THAT THE WELLS ARE ON FEDERAL LEASES. I

ADVISED HIM OF THE STATE'S ROLE IN KEEPING TRACK, ETC. OF ALL WELLS DRILLED

WITHIN THE STATE. A COPY OF THE GENERAL RULES & REG'S ALONG WITH FORMS

HAS BEEN MAILED TO HIM PREVIOUSLY.

** Rec'd Entity Form 3-19-92.*

#300

To: John Rogers, Utah State Tax Commission
 From: Eric Jones, Petroleum Engineer, BLM Moab District
 Subject: Plugging and Abandonment of Wells
 SM Gas Production
 Wells No. 4-1 and 4-2A
 Section 4, T20S, R24E
 Federal Oil and Gas Lease U-15054

RECEIVED

FEB 09 1996

PROPERTY TAX DIVISION

The two above captioned wells, operated by SM Gas Production, were plugged and abandoned in the spring of 1995. A BLM inspector witnessed the plugging of both wells, but for some reason the inspections were not entered into our computer system. I believe well no. 4-1 was plugged in early March, 1995, and 4-2A was plugged on May 30, 1995. Should you have any questions regarding this matter, please call Eric Jones at (801) 259-2117.

STALEY SEM 4-1 = 31311 10 43-019-31311 Sec. 4 T. 20S R. 24E - U15054
 GOUT 4-2A = 31312 10 43-019-31312 Sec. 4 T. 20S R. 24E - U15054

ERIC

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

of pages 1

To <u>JOHN ROGERS</u>	From <u>ERIC JONES, BLM</u>
Dep./Agency	Phone # <u>801-259-2117</u>
Fax # <u>801-297-3699</u>	Fax # <u>801-259-2106</u>

NSN 7840-01-317-7366

5089-101

GENERAL SERVICES ADMINISTRATION

UTAH STATE TAX COMMISSION
210 North 1950 West
Salt Lake City, Utah 84134
Telephone (801)297-3600
Fax Number (801) 297-3699

W. Val Oveson, Chairman
Roger O. Tew, Commissioner
Joe B. Pacheco, Commissioner
Alice Shearer, Commissioner

Rodney G. Marrelli, Executive Director

Cover Sheet for Facsimile Message

Date: 2/22/96 Total # of Pages: 2
To: DEPARTMENT OF OIL GAS & MINING
Location: SALT LAKE CITY
Subject: SM GAS PLUGGING OF 2 WELLS
Fax Number: 359-3940

From: Bob Pratt Phone Number: 297-3650
Location: PROPERTY TAX DIVISION

Comments/Remarks: copy of BLM Fax concerning Plugging
of SM GAS WELLS

Signature: J. Robert Pratt

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S. Blaine Wilcox, Director Property Tax Division
210 North 1950 West Salt Lake City, Utah 84134
Telephone (801) 297-3600 Fax Number (801) 297-3699